

**REMARKS**

Claims 1-8, 10-19, and 21 are pending in this application. No claims are amended cancelled or added by this response. Reconsideration of the subject patent application and allowance of the claims are respectfully requested in light of the following remarks.

**Objection to the Specification**

The Examiner objects to the specification because of certain inconsistencies between the written specification and the figures. Applicant respectfully disagrees and suggests that the Examiner has improperly relied upon the wrong version of the specification. Applicant refers Examiner to the Preliminary Amendment filed August 27, 2001, where the typographical errors objected to were corrected. The relevant paragraph of the specification, which was corrected in the preliminary amendment, is consistent with the claimed invention and reads:

Then, in a step 708, of the available awards with the earliest expiration date and with the earliest earning date, the most encumbered awards are determined. In the above example, the available awards with the earliest expiration date and with the earliest earning date correspond to rows 338 and 340. The awards corresponding to row 338 were earned at business "4" according to promotion "2". Referring now to Fig. 4, row 412 indicates that awards earned at business "4" according to promotion "2" are not accepted by supplier "200". Thus, the awards corresponding to row 338 are encumbered. On the other hand, the awards corresponding to row 340 were earned at business "5" according to promotion "1". Referring to table 400, these awards are not encumbered. Thus, in step 708, row 338 is the most encumbered of the awards.

**The Examiner's Rejection of Explanatory Diagrams**

Examiner takes issue with two tables contained in the response to the previous office action, filed April 21, 2006. Applicant submits, however, that the Examiner has mis-

characterized the tables as purporting to add limitations to Applicant's disclosure. Examiner has also mis-characterized Applicant's reference to encumbrance levels 1-4 as purporting to define additional limitations, because encumbrance level 1, 2, 3, or 4 are not defined in the specification. Applicant traverses the rejection and respectfully requests that the Examiner consider the arguments set forth in the April 21, 2006 response, and below, including Tables 1 and 2.

The application describes and claims the concepts of encumbrance levels and determining which awards to redeem based on encumbrance levels. The invention contemplates that different awards may be encumbered differently and thus have different encumbrance levels. Tables 1 and 2 merely assist in demonstrating the differences between the present invention and the cited art in the manner in which awards having different encumbrance levels are processed. For simplicity in the explanation, different encumbrance levels are identified generically as encumbrance levels 1, 2, 3, and 4. That the specification does not use the terms "encumbrance levels 1, 2, 3, and 4" does not mean that, in the context of applicant's illustration, these terms are not consistent with and supported by the specification. In fact, they are. Applicant further notes that while the terms "encumbrance levels 1, 2, 3, and 4" were objected to as allegedly not defined in the specification, the examiner did not object to the description of the manner in which the different awards having different encumbrance levels were described.

Applicant's reference to encumbrance levels was merely intended to be an explanation by way of example. A similar example as was used during the interview with the Examiner on

March 22, 2006. Applicant is merely illustrating the process of “determining encumbrance levels of the allowed awards based on the types of allowed awards and the data in the encumbrance database,” that is required by the invention.

For these reasons the Examiner is respectfully asked to withdraw any and all objections directed to this explanatory material and to fully consider all arguments incorporating this material.

### **Claim Rejections**

As applicant’s prior remarks were not fully considered, applicant re-submits his previously presented remarks with additional support:

Claims 1-8, 10-19, and 21 have been rejected under 35 U.S.C. § 103(a) as being unpatentable over Ikeda. “To establish a prima facie case of obviousness, three basic criteria must be met. First, there must be some suggestion or motivation, either in the references themselves or in the knowledge generally available to one of ordinary skill in the art, to modify the reference or to combine reference teachings. Second, there must be a reasonable expectation of success. Finally, the prior art reference (or references when combined) must teach or suggest all the claim limitations.” MPEP § 2143. The Examiner has not established a prima facie case of obviousness because the cited art does not teach or suggest all limitations of the rejected claims and because there is no teaching, suggestions, or motivation to modify the cited art.

While, the Examiner issued the rejection based on 35 U.S.C. § 103(a), the Examiner stated in the Office Action mailed May 18, 2006, “that the Examiner did not need to provide a

motivation to modify the Ikeda art to teach the Applicant's invention because Ikeda teaches the Applicant's claimed invention." (Office Action pg. 11). The Examiner also stated that he "used a 103 rejection because Ikeda does not clearly teach the word 'encumbrance database and level.'"

Id.

The Examiner's position is wrong as a matter of law. If the Examiner contends that Ikeda teaches the claimed invention, albeit using language that is different from that of the claims, the rejection should be made under 35 USC § 102, and the Examiner must clearly explain how the teachings of Ikeda correspond to each and every limitation of the claimed invention.

Furthermore, if the Examiner contends that disclosure of an encumbrance database and level is inherent in Ikeda, he must show that subject matter of Ikeda necessarily requires an encumbrance database and level. See Continental Can Co. v. Monsanto Co., 948 F.2d 1264, 1268-69 (Fed. Cir. 1991) (Proof of anticipation by inherency requires that the missing descriptive matter is necessarily present in the thing or process described in the reference). Finally, if the rejection is one of obviousness under 35 U.S.C. § 103, as actually stated in the Office Action, then the Examiner must provide some teaching, motivation, or suggestion to modify or combine the cited art. See In re Rouffett, 47 USPQ2d 1453, 1456 (Fed. Cir. 1998).

Whether the rejection based on Ikeda is one of anticipation (§102) or obviousness (§103), Applicant respectfully traverses this rejection on the grounds that Ikeda fails to teach or suggest all limitations of the rejected claims, and, to the extent the rejection is one of obviousness, the

Examiner has provided no reason why a person of ordinary skill would have been motivated to modify Ikeda to derive the claimed invention.

The present invention relates to a system for award redemption. Awards are acquired through participating businesses and may vary depending on specific promotions that those businesses are offering. Once earned, an award may be redeemed to acquire a good or service from a participating business. However, the redeemability of all awards is not equal, because some businesses may limit award redemption based on where and during what promotions they were earned. If an award is not redeemable at a business it is encumbered. The more encumbrances an award has (i.e., the more limitations on redeeming the award), the lower the redemption opportunity of the award is. To provide the maximum value for the awards, the system determines the encumbrance levels of all the potentially redeemable awards and redeems the most encumbered first.

Ikeda does not teach or suggest all limitations of independent claims 1, 8, 17, and 19. Claim 1 recites, "determining which of the allowed awards to redeem based on the encumbrance levels." Claim 8 recites, "determining which of the allowed awards to redeem based on the encumbrance levels." Claim 17 recites, "determining which of the allowed awards to redeem based on the encumbrance levels." Claim 19 recites, "determining allowed awards to redeem based on encumbrance levels."

The Examiner had previously agreed that Ikeda does not teach the language of claim 1; however, since that time the Examiner has "changed his opinion." (Office Action pg. 11).

Therefore, it is necessary to again point out the distinction that was thought to have been made clear during the interview with examiner interview on March 22, 2006, and in Applicant's last response.

Ikeda does not provide for "determining which awards to redeem based on the encumbrance levels." The present invention teaches that, "encumbrance of awards is measured in terms of restrictions on redeeming the awards at certain suppliers. Particularly, awards are encumbered if one or more suppliers will not accept them for redemption." (Applicant's Specification Pg.13 Ln.12). Ikeda's system teaches that a shop may either accept or not accept all awards. Ikeda does not teach or suggest accepting awards from one source while rejecting awards from other sources. Therefore, since under Ikeda all awards must be accepted or rejected by a given shop, all awards are encumbered to the same level and cannot be distinguished based on encumbrance levels, as is claimed in claims 1, 16, and 17.

Two tables similar to those below were shown to the Examiner as illustrative examples used to assist in explanation at the Examiner interview on March 22, 2006, and are used now for the same purpose. The Applicant is not attempting to add new material to the application, but rather to explain fully the material already present in the application. The table 1 represents an example of Ikeda's system, and table 2 represents an example of the present invention. These tables and the accompanying explanations illustrate the proposition set forth in the preceding paragraph; that under Ikeda all awards are encumbered at the same level, and thus Ikeda does not

teach or suggest” determining which of the allowed awards to redeem based on the encumbrance levels”, as claimed in the present invention.

**Illustrative Examples of Both Ikeda and the Present Invention**

**Table 1**

**Sources of Awards**

		Visa	United Air	Discover	Shell Gas
<b>S H O P S</b>	A	X	X	X	X
	B	✓	✓	✓	✓
	C	✓	✓	✓	✓
	D	✓	✓	✓	✓

As shown in the table 1 above, representing an example of Ikeda’s system, Shop A does not accept awards earned from any source. (Ikeda Fig 9, Col. 8, Ln. 14-16; “The points issue ratio 0 and points redeeming ratio 0 for shop E indicates that the point-service is not provided by shop E.”). This is represented by the “X”s in Shop A’s row. Shops B, C, and D accept points from any source. (Ikeda Fig. 9). This is represented by the check marks in the rows corresponding to Shops B, C, and D. If, as stated in the present specification, “awards are encumbered [if] one or more suppliers will not accept them for redemption” (Applicant’s Specification pg. 13), then the

encumbrance level of an award can be found by counting the number of "X"s in an award sources column. Thus, the encumbrance levels for the awards are as follows: awards from Visa have an encumbrance level of 1; awards from United Air have an encumbrance level of 1, awards from Discover have an encumbrance level of 1, and awards from Shell Gas have an encumbrance level of 1. If a customer with awards from all four sources wants to shop at Shop B, and Shop B accepts all types of points, Ikeda cannot determine which of the allowed awards to redeem based on encumbrance levels because all awards are encumbered to the same degree, 1.

**Table 2**

**Sources of Awards**

		Visa	United Air	Discover	Shell Gas
<b>S H O P S</b>	<b>A</b>	X	X	X	X
	<b>B</b>	✓	X	X	X
	<b>C</b>	✓	✓	X	X
	<b>D</b>	✓	✓	✓	X

Contrasting an example of the present invention, as shown by the table 2 above, Shop A does not accept awards earned from any source; Shop B does not accept awards earned from sources United Air, Discover, or Shell Gas ; Shop C does not accept awards earned from sources Discover and Shell Gas; and Shop D does not accept awards earned from source Shell Gas.



Again, the encumbrance level of an award can be found by counting the number of “X”s in an award sources column. Thus, the encumbrance levels for the awards are as follows: awards from Visa have an encumbrance level of 1; awards from United Air have an encumbrance level of 2 , awards from Discover have an encumbrance level of 3, and awards from Shell Gas have an encumbrance level of 4. If a customer with awards from all four sources wants to shop at Shop D and Shop D accepts all types of awards except those earned at Shell Gas, then the present invention determines which of the redeemable awards (awards earned at Visa; United Air; or Discover) to redeem based on the encumbrance levels. Therefore, the present invention would redeem points beginning with the most encumbered which is the following order: 1) awards from Discover with an encumbrance level of 3; 2) awards from United Air with an encumbrance level of 1; and 3) awards from Visa with an encumbrance level of 1. This is what Ikeda does not teach, and what would be impossible under Ikeda’s system.

Accordingly, as demonstrated above, Ikeda does not teach or suggest all elements of the rejected claims. Furthermore, by the Examiner’s own admission, the Examiner has not identified any teaching, suggestion, or motivation to modify Ikeda to derive the claimed invention. Thus, the rejections of independent claims 1, 8, 17, and 19 cannot be sustained, and Applicant respectfully requests that the rejections be withdrawn

Claims 2-7, 10-16, 18, and 21 are allowable because they are dependant on claims which are allowable.

Furthermore, claim 6 recites, “[t]he method of claim 1 wherein the type of award indicates black-out dates on which the award cannot be redeemed.” The examiner has reasoned that “black-out dates” are obvious in light of expiration dates. However, given the nature of the two distinct and separate temporal restrictions, applicant respectfully disagrees. Ikeda teaches an “effective term” for its points system. This “effective term” is an expiration date after which the points are no longer redeemable. However, this is the extent of Ikeda’s lesson; there is no mention of “black-out dates.” “Black-out dates” are designed for and serve entirely different purposes than expiration dates. Further, black-out dates may be available without an expiration date and vice versa . For both reasons Ikeda does not teach claim 6. Thus, dependant claim 6 is allowable for this additional and independent reason.

Ikeda does not teach claim 7. Claim 7 recites, “[t]he method of claim 1 wherein the type of award indicates a classification of the award. The word ‘type’ as used in this claim refers to “awards [being] classified into different types of awards. For example, if a consumer performs some special earning activity, the consumer might receive special awards that permitted redemption for certain goods, services, etc., that cannot be redeemed with normal points.” (Pg. 13, Ln. 31 - Pg. 14, Ln. 2). Ikeda does not teach a sub-classification of points and therefore does not teach claim 7. Thus, dependant claim 7 is allowable for this additional and independent reason.

Ikeda does not teach claim 15. Claim 15 states, “[t]he method of claim 8 wherein the type of award indicates a classification of the award.” The word ‘classification’ as used in this

claim refers to “awards [being] classified into different types of awards. For example, if a consumer performs some special earning activity, the consumer might receive special awards that permitted redemption for certain goods, services, etc., that cannot be redeemed with normal points.” Ikeda teaches only the use of redeeming ratios for ‘premium points’, but not the sub-classification of awards. Thus, dependant claim 15 is allowable for this additional and independent reason.

Ikeda does not teach claim 21. Claim 21 states, “[t]he system of claim 19 wherein determining which of the allowed awards to redeem is further based on the types of the allowed awards.” The word ‘type’ as used in this claim refers to “awards [being] classified into different types of awards. For example, if a consumer performs some special earning activity, the consumer might receive special awards that permitted redemption for certain goods, services, etc., that cannot be redeemed with normal points.” Ikeda teaches only the use of redeeming ratios and not additional classification with regard “premium points”, Ikeda does not teach claim 21. Thus, dependant claim 21 is allowable for this additional and independent reason.

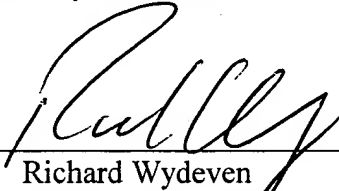
Serial No. 09/932,588  
Amendment Dated September 18, 2006  
Reply to Office action dated July 18, 2006

Applicants submit that the present application is now in condition for allowance.

Reconsideration and favorable action are earnestly requested.

Respectfully submitted,

By

A handwritten signature in black ink, appearing to read 'R. Wydeven', is written over a horizontal line.

Richard Wydeven  
Attorney for Applicants  
Registration No. 39,881  
ROTHWELL, FIGG, ERNST & MANBECK, p.c.  
Suite 800, 1425 K Street, N.W.  
Washington, D.C. 20005  
Telephone: (202) 783-6040  
Facsimile: (202) 783-6031

#1348318